



SAVONIA

Virtual Teams Management: Overcoming the Obstacles to an Effective Team

Case Company: Blooming Twig LLC

Karina Mina

Bachelor's Thesis

13. 03. 2017 Kuopio, Finland

Bachelor's degree (UAS)

Field of Study Social Sciences, Business and Administration			
Degree Programme Degree Programme in International Business			
Author(s) Karina Mina			
Title of Thesis Virtual Teams Management: Overcoming the Obstacles to an Effective Team			
Date	28 Feb 2017	Pages/Appendices	55/2
Supervisor(s) Milla Siimekselä, Timo Salopelto			
Client Organisation/Partners Blooming Twig LLC			
<p>Abstract</p> <p>Virtual team is a relatively new and unique phenomenon, which develops constantly. The number of remote teams is rapidly increasing worldwide due to the growing awareness of this flexible type of employment among companies and working population.</p> <p>The main purpose of this thesis was to introduce virtual teams as an alternative to traditional workforce, as well as to demonstrate its advantages from both employees' and companies' perspective. The research was based on the case company Blooming Twig, which is 100% virtual. The aim of this research was to identify the most common challenges associated with remote work and to provide guidelines for overcoming these challenges in order to build an efficient and productive team.</p> <p>On the basis of the gathered data and research, it was concluded that virtual teams is not just a trend that will pass, it is here to stay, and it is important to learn today how to effectively lead and manage virtual workforce.</p>			
Keywords Virtual teams, remote work, virtual team management			

CONTENTS

1	INTRODUCTION	6
1.1	Background, purpose of the study, research questions	6
1.2	Research objectives.....	8
1.3	Research scope.....	8
2	VIRTUAL TEAMS.....	9
2.1	Definition.....	9
2.2	Characteristics and types of virtual teams.....	10
2.3	Advantages.....	11
2.3.1	Company's perspective.....	12
2.3.2	Employee's perspective	13
2.4	Disadvantages	13
2.4.1	Company's perspective.....	14
2.4.2	Employee's perspective	15
2.5	Virtual teams vs face-to-face teams	16
3	VIRTUAL TEAMS MANAGEMENT.....	20
3.1	Leadership.....	21
3.2	Motivation	24
3.3	Conflict management.....	25
3.4	Tools and technology.....	26
4	RESEARCH.....	28
4.1	Case company description.....	28
4.2	Research methodology	29
4.2.1	Data collection.....	29
4.2.2	Data analysis.....	30
4.2.3	Reliability and validity.....	30
5	FINDINGS	32
5.1	Quantitative data	32
5.1.1	Summary of findings	36
5.2	Qualitative data.....	37
5.2.1	Reasons for working remotely	37
5.2.2	Pros and cons of being a virtual employee	38
5.2.3	Advantages and challenges of virtual teams	39
5.2.4	Current challenges at the case company	39
5.2.5	Suggestions for improvements at the case company	40

5.2.6 Technological tools.....	41
5.2.7 Team building, trust, motivation	42
5.2.8 Future of virtual teams	43
5.3 Suggestions for Blooming Twig	44
6 CONCLUSION	48
6.1 Guidelines to an effective team	48
6.2 Recommendations for further research	50
REFERENCES	51

APPENDICES

Appendix 1 Virtual teams questionnaire

1 INTRODUCTION

“Once upon a time we had offices.

We all went to our office every day to work with others and keep business going.

It seemed like the best way to work.

And so an opinion was born that “For every serious business, people need to go to an office to work together.” (HeadHonchos, 2013.)

1.1 Background, purpose of the study, research questions

Over the past years due to technology development and globalization, businesses and its operations changed in many different ways. The technology of the 21st century allows people to stay connected while being in different parts of the planet, it keeps families and friends together, why leave businesses aside? Being employed is commonly associated with a 40-hour working week from Monday to Friday, which requires an actual presence at the workplace. However, the current trend shows that in order for a team to be productive and efficient, its team members do not necessarily need to be in the same location, they can easily achieve the same results while working across distance, time and culture.

Remote work is equally beneficial for both businesses and employees. The biggest advantage for employees is the flexibility as they can choose when and where to work. According to Brie Reynolds (2016), Senior Career Specialist at FlexJobs, one of the biggest reasons people desire to have a flexible job is the ability to travel. Flexible work makes a positive impact on employees, they have more control over their schedules, they report greater job satisfaction and less stress, they have more time to spend with their families or doing things they love.

At the same time companies report significant decreases in costs, their employees are more productive, efficient, engaged and generally happier with their job (Bibby, 2015).

Many companies worldwide accept remote work; therefore, it is expected to see more people working remotely in 2017. According to a number of researches, the majority of people would prefer to work remotely, even if it is several times a week, instead of commuting to an office on a daily basis. All of that only means that very soon remote

work may be seen not as a different way, but as a standard way of working. (Reynolds, 2016)

The aim of this thesis is to introduce virtual teams and create guidelines on how to overcome the obstacles to an effective team.

Description of the background and starting point:

This topic was discovered by the author due to the internship and the following employment by a virtual company.

Reasons for choosing the topic in question:

- Work experience and personal interest in the topic
- The study deals with current problems of the case company
- The topic is relevant due to the increasing number of virtual teams
- The research will be useful for other companies operating virtually and those who are on the way to building a virtual team

The case company is Blooming Twig LLC, which is an award-winning boutique publishing house, media company, and thought leadership marketing agency based in the US. It is a small company, 100% remote, with a virtual team from all over the world.

Significance of the thesis and its link with wider contexts:

- The thesis project is significant for the case company as its main aim is to increase team's effectiveness
- The number of virtual teams is increasing rapidly, which makes this study relevant and applicable to the current trend
- The project results will be useful for other virtual companies facing similar challenges or those who are afraid to build a virtual team because of difficulties associated with remote work
- The project will be useful for further deeper research of the topic

1.2 Research objectives

The main purpose of the research is to find out the main challenges associated with remote work and to provide guidelines for overcoming these challenges in order to build an efficient and productive team.

Objectives:

- To introduce virtual teams as an alternative to the face-to-face teams, demonstrate its advantages over traditional teams
- To study the common challenges associated with remote work
- To introduce a case company, identify its current problems and provide solutions

Concrete output to be attained:

- To create guidelines for overcoming virtual team's challenges and increasing team's effectiveness

1.3 Research scope

The project will be implemented based on the case company, as well as practical experience and knowledge that was acquired through managing a remote team. It will consist of the theoretical part (digital/traditional books, online blogs) and the practical part (conducting a survey in a case company; providing solutions to the company & creating guidelines).

2 VIRTUAL TEAMS

2.1 Definition

Virtual team is a new workplace phenomenon; therefore, it is important to look into several definitions first, to get a better idea of what it means and how is it different from traditional teams.

Jessica Lipnack and Jeffrey Stamps (2010, 4) define virtual team as a team that is linked through communication, such as email, phone, videoconferencing and Internet forums, rather than face-to-face.

“A Virtual Team (aka “virtual workgroup”) is a group of people who participate in common projects by making collaborative efforts, and for the purpose of achieving shared goals and objectives. They perform tasks and jobs in a virtual work environment created and maintained by means of IT and software technologies.” (McConnell, 2010.)

“A Virtual Team is a group of people located at different places working on the same project(s) in the role of a project team. Members of the team work primarily from a particular office and never spend their time on travelling between several offices. They are likely to work from home using virtual team collaboration tools to communicate with colleagues and senior management.” (Lewinson, 2010.)

Another definition of a virtual team says:

“A virtual team is a group of individuals in different geographic locations who use technology to collaborate on work tasks and activities.” (Boundless, 2016.)

Despite the fact, that the term itself is relatively new, many definitions of virtual team can be found in various sources. To summarize everything above, virtual team is a globally dispersed team, meaning that its members are separated by distance, time and culture, and have to use technology to communicate and stay on the same page.

2.2 Characteristics and types of virtual teams

According to Duarte & Snyder (2001, 4), there are several types of virtual teams, which are based on three main criteria: distance, time and culture. To complete a project and get work done, virtual teams, unlike traditional ones, have to communicate and overcome organizational boundaries by using a technology. In order to successfully lead and manage virtual teams, it is significant to distinguish its types and challenges associated with each one of them.

Duarte & Snyder (2001, 5) introduce seven types of virtual teams:

- Networked teams
- Parallel teams
- Project or product-development teams
- Work or production teams
- Service teams
- Management teams
- Action teams

Networked teams consist of experts from various fields (not necessarily from the same organization), who collaborate to achieve a common goal or purpose. Such teams are geographically distributed, meaning that they have to work across time, distance and culture. The membership is often diffuse and fluid, meaning that team members can be added or removed at any time, depending on company's needs. This team type is frequently associated with consulting and high tech companies. (Duarte & Snyder 2001, 5)

Parallel teams are usually required on a short-term basis to work on special assignments. Such teams can be either internal or external to organizations and frequently are asked to make recommendations for improvements of internal processes. Parallel teams have a distinct membership that identifies it from the rest of the organization. Unlike networked teams, these ones are not dismissed upon project completion. (Duarte & Snyder 2001, 5)

Virtual project and product-development teams are also geographically distributed and work across time, distance, and organizational boundaries. These teams conduct projects for users or customers for a defined period of time and provide specific and measurable results in form of new products, information systems, or organizational processes. Project teams usually exist longer than parallel ones and have a decision-making authority. Similar to networked teams, members of project teams can be added or removed at any time according to organization's needs. (Duarte & Snyder 2001, 6)

Another type of virtual teams is work or production teams, which usually exist in one area within an organization, such as finance, training, or R&D. It performs ongoing tasks and operates virtually from various geographic locations. (Duarte & Snyder 2001, 7)

Service teams are distributed across distance and time on purpose. Its members work during their daylight hours and pass work to the next designated time zone at the end of the day, which makes it possible for a team to offer their services 24/7. Customer service or customer support is the common example of such teams. (Duarte & Snyder 2001, 7)

Management teams is another type of virtual teams that can be separated by distance and time if an organization has offices in several locations. These teams discuss company's operations, strategies as well as day-to-day activities and work together on a daily basis. (Duarte & Snyder 2001, 8)

Lastly, there are action teams, which are formed for a short period of time in order to address a particular problem and offer an immediate response. This type of team is often associated with emergency situations, it is brought together to deal with arose issues and is dismissed once these issues are resolved. (Duarte & Snyder 2001, 8)

2.3 Advantages

In order to understand why many companies worldwide start hiring virtual workforce, it is important to learn about advantages and disadvantages of virtual teams as well as to compare it to traditional face-to-face teams based on efficiency and productivity. It is important to look at virtual team's benefits and challenges from both employer's and employee's perspectives. (Joinson, 2002)

2.3.1 Company's perspective

Companies tend to form virtual teams for many different reasons. Some organizations want to get employees out of the office and keep them closer to customers, others are guided by the idea of unifying a function across the organization, the last ones simply want to cut costs. Very often companies are looking for skilled professionals, and their search is limited by the company's location, since not every person looking for a job is ready to move to another town, country or even continent. Hiring a remote employee may be the best option in that case. (Joinson, 2002)

Costs efficiency is probably the biggest advantage of using virtual workforce. It is inconceivable how much money organizations have to spend on real estate, office spaces, furniture and supplies, utilities bills as well as executives' travel. All these expenses can be avoided by forming virtual teams. Production costs are also decreased by outsourcing company's operations to the low-cost regions. These geographic locations usually have lower raw material costs, operational costs as well as lower wages. (Management Study Guide, 2017)

Another significant advantage of virtual teams is the ability to search for talent worldwide. It allows to form an extremely skilled team out of the experts and professionals from across the globe. Sharing knowledge, experiences, business practices, ideas and understandings of global and local markets leads to greater innovations and major breakthroughs. Hiring employees located in different time zones allows team to work on the project 24*7, meaning that when one team member go to sleep, another one would just start their working day. It significantly shorten product development time and project timeline in general, thus increases company's profits. (Management Study Guide, 2017)

While working in the office, employees often face various distractions: chitchat with co-workers, gossips, office politics and others. These distractions are avoided in virtual team, thus higher productivity levels can be achieved. (Sravani, 2016)

Lastly, there are a lot of people who want to work from home. When they have this opportunity, they are more likely to be loyal to the company and stay for the long term. (Rawson, 2013)

2.3.2 Employee's perspective

Remote work has many advantages not only for companies, but also for employees. The possibility to choose your own schedule is probably the biggest advantage of remote work. Not all people are productive on the same schedule. Remote work allows night owls and early birds to work during their peak hours. Of course, some companies require their employees to be online during specific hours, depending on the nature of work. If there are any team meetings scheduled, it may also interfere in one's schedule, but generally, remote job allows employees to work whenever it is convenient for them as long as they deliver results. (Active Business Communications, 2016)

Another significant advantage of working remotely is the possibility not only to choose *when* to work on projects, but also to choose *how* to work on it. Some people hate to be distracted and they need to work non-stop to deliver results, when others prefer to take breaks. When it comes to working from home, self-discipline is a must, the ability to work at your own pace allows employees to prioritize things and do whatever they need to do to be efficient and productive. Several studies showed that remote employees show higher results in terms of productivity than regular employees. (Active Business Communications, 2016)

Not only companies get to decrease their costs when hiring virtual team. Working from home allows employees to save money on a number of things. First of all, since there is no need to go the office and back, transport costs are decreased significantly. Secondly, lunch and coffee at home is way cheaper than in the cafe. Lastly, there is no need to buy many formal clothes to wear to the office, thus it is possible to save money on your wardrobe. (Active Business Communications, 2016)

Some employees will also name another advantage of remote work: no need to dress and "get ready." There are people who spend a lot of time every morning getting ready for work. This valuable time can be spent on other personal or professional things instead. (Male, 2012)

2.4 Disadvantages

2.4.1 Company's perspective

Even though virtual teams seem to be beneficial for companies, it has certain disadvantages, which should be taken into account. One of them is a cost of technology. The biggest challenge of all virtual teams is communication. In order to work efficiently and successfully complete projects, all team members need to stay on the same page by communicating with each other, discussing assignments and sharing updates. It requires constant usage of various software and technology tools such as chats, emails, audio- and video-conferencing, CRM and Project Management software. There is no tool which can do all of the things mentioned above, therefore, companies have to use multiple software to organize their processes and day-to-day operations, and costs of these tools are usually high. (Management Study Guide, 2017)

At the same time, virtual companies constantly suffer from technological issues. Internet and computer are the necessity for a virtual team to get things done. Any malfunctions such as power cuts, computer failure, virus attack, internet problems make it impossible for a team to work until the technological issue is resolved. It may be crucial for time-sensitive projects and may cause a lot of trouble. (Sravani, 2016)

Social isolation can be seen as a disadvantage for employees, however, it represents a challenge for businesses as well. Compared to face-to-face teams, virtual ones face lack of physical interactions, since communication in virtual environment is mostly task-oriented. It makes it impossible for teams to get to know each other and discuss things other than work. This results in low team bonding and trust issues, which makes team weak and less effective. Workplace is also a social institute, where people spend half of their day; they make friends and are often surrounded by people. At the same time, working from home gives a feeling of social isolation, which may have direct effects on one's productivity and mental health. (Management Study Guide, 2017)

Virtual work is commonly associated with communication gaps and lack of trust. Non-verbal communication is often misjudged and significantly increases chances of arising misunderstanding issues. Lack of face-to-face communication also makes it difficult to establish trust, which is one of the key success factors of virtual teams. (Sravani, 2016)

Additionally, virtual operations can jeopardize company's security. Some industries, which works with confidential information, may find it risky to store data remotely. It is connected with both lack of trust in virtual teams as well as cyber attacks. Accidental

loss or release of data in financial or healthcare industries can cause serious problems for both businesses and customers. (Bloch, 2017)

Last but not the least is potential risk to reputation. Although there are already many companies that practice remote work, some people still do not understand how it works. Therefore, it may be extremely risky for a company to promote themselves as a virtual one. Potential customers may not take companies with virtual offices seriously and may think of such companies as not real ones or even fraud. (Bloch, 2017)

2.4.2 Employee's perspective

Employees should also be aware of the most common disadvantages associated with remote work before making a commitment like that. It may sound surprising, but a good employee is not necessarily a good remote employee. To succeed in remote work, a person needs to have great time management skills, be self-organized and responsible. Working from home may sound like a dream, but it is extremely hard to have work-life balance, not to get distracted when working and to devote enough time to work. Some people just struggle with the lack of a schedule, with nobody watching you work and monitoring your progress. These people cannot be productive and efficient when working from home, which frequently associates with fun & rest. (Active Business Communications, 2016)

For many people lack of workplace social life is a significant disadvantage. Virtual interaction with clients and co-workers is different from communication with colleagues in the office. Virtual employees are task-oriented, there is hardly a place for a small talk. Staying at home all day long, without proper physical interactions with people, makes remote workers feel isolated. That is one of the reasons, why many of them move their workplace to public places like coffee shops. (Active Business Communications, 2016)

In addition to everything above, virtual employees often have troubles with their work/life balance. When working from home, it is extremely important to separate work and personal life. Without clear schedule, it may seem like work never ends and employees do not find time for personal things and rest, which often leads to overwhelming. Setting a schedule helps to distinguish work time and personal time, while setting a home office helps to separate work zone from home space. (Active Business Communications, 2016)

Lastly, complete dependence on technology cause many problems not only for companies, but for employees as well. Technology is everything for a remote worker, it is important to make sure everything works properly and an employee is reachable at all times. Any technology issues directly affect employee's work, or it is better to say employee's inability to get work done. (Active Business Communications, 2017)

It is true that virtual teams require different leadership and managerial approaches, but with a good system in place, it is possible to overcome all of the disadvantages mentioned above and get the best out of remote teams. If huge organizations such as IBM, Microsoft, Whirlpool are benefiting from virtual teams for a while now, it is a fact that virtual team is not just a temporary trend, it is here to stay. (Management Study Guide, 2017)

2.5 Virtual teams vs face-to-face teams

In order to compare virtual teams and face-to-face teams, it is important to understand the difference between these two definitions. While traditional teams consist of individuals working in the same physical location, virtual teams consist of individuals, separated by physical distance. Working together to achieve a pre-defined goal is what both types of teams have in common. (Myers, 2017)

What are the main differences between virtual teams and face-to-face teams? First of all, it is recruiting process. In case of traditional teams, selection of new team members is based on professional skills mostly. However, professional skills are not enough for a virtual team. It is a fact that virtual environment is not for everyone, and all the challenges associated with remote work create new requirements for job candidates. In addition to strong functional skills, virtual team members need to be proactive, self-disciplined, extremely organized, and able to learn new technologies and collaborate across cultural boundaries. (Myers, 2017)

Secondly, these teams have different organization structures. The majority of traditional teams is known for a vertical organization structure, which means that there is a strict hierarchy and subordination, and power emanates from the top down (Myers, 2017). What about virtual teams, they prefer horizontal organization structure, which is known for a less defined chain of command and certain equality in terms of power. Employees

across lines have similar input, authorities, which encourages them to work as a team, deliver results, and more importantly, makes them feel as an essential part of the company. (Management Study Guide, 2017)

Similar to organization structure, there is no strict leadership in a virtual environment due to managers' inability to monitor daily activities of all team members closely. Unlike leadership in traditional team, virtual teams' leaders behave more like coaches, who is there to help and give a piece of advice when needed. (Management Study Guide, 2017)

Another distinction between virtual and traditional teams is information exchange and decision-making process. Information flow between team members is extremely important in any kind of team, company or industry. Face-to-face teams experience no difficulties in exchanging knowledge during both formal and informal discussions. In case of virtual teams, there is almost no informal access to the information due to physical distance, time zones difference and lack of communication. For the same reasons, even formal meetings are not easy to schedule, which leads to delays in decision-making processes. As a result, virtual teams have a specific need for more frequent updates on projects and a good process in place for a quicker exchange of information and problem solving. (Management Study Guide, 2017)

Relationship building is also different in traditional and virtual settings. It was already mentioned in previous chapters of this thesis, but it is much harder for virtual teams to build relationships with colleagues due to lack of physical contact. Traditional team members meet in the workplace every day and have no choice but to communicate with each other. In case of virtual teams, the majority of interactions are task-oriented; lack of verbal communication, gestures and emotions make communication between team members strictly professional. (Management Study Guide, 2017)

Due to lack of communication, trust issues and challenged relationship building, the foundation of psychological contract is more fragile in virtual teams. According to Business Dictionary, the definition of the psychological contract is the following:

“The unwritten understandings and informal obligations between an employer and its employees regarding their mutual expectations of how each will perform their respective roles. Within a typical business, the psychological contract might include such things as the levels of employee

commitment, job satisfaction and the quality of working conditions.”
(WebFinance Inc, 2017.)

Unlike traditional teams, even the smallest misunderstanding or communication gap in virtual ones may have a negative effect on psychological contract, which results in decreased team's effectiveness and lack of commitment. (Management Study Guide, 2017)

In addition, according to the number of studies conducted by various organizations, it was stated that virtual employees are more productive than their office colleagues. Chinese travel agency, with 16,000 employees reported the results of their work from home experiment, where half of call center employees were assigned to work from home, while the other half had to work from the office. The results showed that after 9 months of home working, there was a 13% increase in performance of remote employees. (Bloom & Liang & Roberts & Zhichun Ying, 2013)

Another study revealed greater efficiency of virtual employees. ConnectSolutions conducted a survey to demonstrate the benefits of remote work. According to the results, 77% of employees who worked remotely at least twice a month, reported greater productivity. Among those workers, 30% accomplished more in less time and 24% accomplished more in the same amount of time. (ConnectSolutions, 2015)

Unlike their office colleagues, remote employees are more likely to work during vacations and sick leaves. According to the infographics, prepared by the leading IT consulting company, called Softchoice, 57% of remote employees work during sick days and 44% work during vacation days. (Softchoice, 2017)

More importantly, remote workers seem to be happier with their jobs than traditional employees. TINYpulse, American employee engagement company, conducted a research by questioning 509 remote employees about their work experience. Their answers were compared with responses of over 200,000 employees across all work arrangements. As a result, 91% of interviewed remote workers said that they get more work done outside of the office. 41% of respondents stated that they prefer remote work because of the freedom of choosing when and where to work. Lastly, remote workers are happier at work than all employees. On a scale from 1 to 10, their happiness was accounted for 8.10, while all workers' result was 7.42. (Barnes, 2017)

Taking into account everything mentioned above, it is possible to conclude that with a correct management approach virtual teams can be just as effective as traditional teams, even despite certain challenges arising in virtual environment. According to some researches, virtual workers seem to be even more productive and happier than other employees, which only proves that virtual teams are definitely worth a shot. As a result, creating a successful virtual team is absolutely possible, and in order to do that, it is important to pay attention to the mentioned challenges and deal with it in a professional and timely manner. (Management Study Guide, 2017)

3 VIRTUAL TEAMS MANAGEMENT

“Virtual Team Management is the process of organizing and coordinating the activities of remote workers within and outside an organization in accordance with the organization’s policies and requirements. It aims to establish a virtual team in which members achieve desired objectives and contribute to success of assigned projects.” (Lewinson, 2010.)

Many aspects that make traditional teams successful are also important for virtual teams. The key success factors are trust, communication, leadership and technology. (Bergiel J. & Bergiel E. & Balsmeier P., 2008)

When managing virtual teams, it is important to take into account its characteristics, challenges arising in a virtual environment as well as these key success factors mentioned above. Based on that, it is possible to come up with the best possible managerial strategies, which are crucial for avoiding team’s failure and turning it into a success instead.

First of all, it is important to set clear goals and objectives. Assigning tasks is a very responsible job. Managers should remember to pass to the team all information available regarding the task. It is necessary not only to provide employees with detailed descriptions of assignments, necessary resources and due dates, but also to set clear and realistic goals, explain project expectations and what the result should look like. Remote workers unlike traditional ones cannot just ask questions and get an immediate response, which can seriously delay their work. Therefore, it is necessary to give virtual employees access to all information needed for a successful project completion and answer their questions in advance. (Lewinson, 2010)

Secondly, utilizing multiple communication tools is a necessity for virtual teams as it ensures quicker and easier communication within a team. Based on specific needs, chats, audio/video conferencing, screen sharing or screen-recording tools can be used. It is important to introduce each tool to the team and explain its purposes. (Baldassarre, 2015)

Another managerial strategy would be scheduling weekly team meetings, which is a must for any organization. It allows not only to share news and updates on projects, but also to ask questions, discuss various issues and make sure all operations are running smoothly. These team meetings are especially important in a virtual environment as a solution to the communication challenge. It is a great opportunity not only to keep everyone updated about work, but also to keep them motivated and engaged. Video conferencing can be used to get to know each other, ask everyone how they feel, what they have been working on, if they have any problems. All of this will help to build relationships and trust with and within team. (Baldassarre, 2015)

Scheduling overlaps is also a strategy that should be considered by managers. For the quicker and more efficient communication, it is important to set hours when all team members are online. Sharing personal schedules will allow find these overlaps and use it for project discussions, decision-makings or team meetings. (Baldassarre, 2015)

Unlike traditional teams, it is extremely hard for managers to monitor team's performance on a daily basis; therefore, they need to have a good assessment system in place. It is important to be able to see who on the team is being productive and who is being less efficient in order to take corrective actions. There is a lot of software that can measure team members' performance by tracking hours, taking screenshots and preparing activity reports. (Lewinson, 2010)

Lastly, using appropriate software is a key to many issues arising in virtual settings. There are many tools designed specifically for remote teams to make their daily routines easier and communication clearer. There are apps that represent virtual offices, which allow to store and share files, communicate, create checklists and manage projects. It is fairly easy to choose tools that work best for the company based on its particular needs. (Lewinson, 2010)

Even though virtual team management may seem as a complicated process, it is important to understand that once a good collaboration and communication system is established, managing virtual teams will not be any harder than managing face-to-face teams.

3.1 Leadership

Due to increasing number of companies forming virtual teams, there is a strong need to understand how leading these teams is different from leading traditional ones. To begin with, the definition of leader should be provided.

Leader is a key person in any team. It is someone who provides directions and guidance for achieving specific goals to all team members. Although team leaders have many different functions, the most important and commonly met roles are the following:

- Developing a strategy for achieving company's goals
 - Providing training and guidance to team members
 - Building relationships and trust with team members by constant communication and listening to feedback
 - Monitoring team's work and providing assistance where needed
 - Managing day-to-day operations and updating company on team's progress
- (Gigli, 2017)

Virtual team more than any other team requires a strong leadership. Due to challenges associated with remote work such as lack of communication, time difference, distance and cultural boundaries, virtual team seems to be more as a group of individuals rather than a work unit. Leader's role is to turn these individuals into a well-integrated team by creating ground rules, organizing team orientation, establishing a common goal, defining roles, building trust and encouraging open dialogue. (Ferranzzi, 2014)

In order to create a portrait of a virtual leader, it is important to discuss the competences required for leading a remote team. Communication skills seem to be crucial for any leader, and especially for a virtual one, who has to communicate through technology. Virtual leaders should constantly communicate with their teams and respond to arising issues. They should also be able to define goals and set objectives, which are clear to all team members. (Soon, 2015)

Being a good listener is another competence of a virtual leader. In a virtual environment, it is extremely important to listen to different opinions and feedbacks and make relevant adjustments. It helps to improve internal processes and build relationships with team. (Soon, 2015)

Due to the fact that virtual teams are completely dependent on technology, a good virtual leader should be tech-savvy. It is leader's job to make sure that team is using the best tools available, to research latest technology and provide relevant guidance on how to use it. The choice of technology has a direct impact in team's efficiency, productivity and performance. (Soon, 2015)

Finally, team leader should be open-minded, especially when there are several cultures involved. It is important to show interest in each culture, encourage diversity and be open to new ideas. Prior experience in working with international teams is a huge plus for virtual leaders. (Soon, 2015)

Surinder Kahai (2008) believes that leadership in virtual teams differs from leadership in face-to-face teams in two ways. On the one hand, virtual team leadership requires more effort to achieve the same level of effectiveness as in traditional teams. On the other hand, there is a greater level of shared leadership in virtual teams.

Talking about the extra effort required when leading virtual teams, it is mostly related to the relationships building. Since the majority of communication in virtual teams is happening via email, it is mostly task-oriented. Lack of social conversations makes it hardly possible for team members to build relationships. That is why this becomes one of the main functions of virtual team leaders. The leader has to find a way to build relationships within team by either building familiarity between them or finding/creating a shared context to show team members how much alike they are. (Kahai, 2008)

In addition, fostering teamwork in virtual teams also requires extra effort from the leader. Unlike traditional teams, where team leader has a constant physical contact with employees, virtual team is globally dispersed, which makes it way harder to foster teamwork, which at the same time is extremely important for such teams. Virtual team leader needs to make additional efforts to remind employees about the importance of commitment and contributing. (Kahai, 2008)

Another characteristic of virtual teams is a greater level of shared leadership. It is directly connected with organization structure mentioned in chapter 2. Virtual teams are usually formed of experts, and shared leadership is the best option for a team, where everyone is supposedly providing equal value to the team and company. (Kahai, 2008)

To sum up, it is possible to say that even though leadership in virtual environment is a little different from a traditional one and requires additional efforts, it will not be a problem to successfully lead virtual teams. Knowing particular qualities of virtual teams, understanding its challenges and adjusting leadership approaches to the virtual settings will make any leader a great virtual leader. (Kahai, 2008)

3.2 Motivation

Working from home is a challenging job because of many reasons, and one of them is lack of motivation. According to Kelly Services, there are three main de-motivators in a virtual environment: isolation, lack of positive feedback and lack of direct engagement with the company. (Kelly Services, 2016)

In order to have an organized and productive team, delivering the best possible results, it is extremely important for employers to keep their employees motivated at all times. To do so it is necessary to pay attention to communication and feedback as it is directly connected with motivation. Communication is crucial for virtual teams, because it is the only thing that keeps employees on the same page. Regular communication with team members makes them feel connected to organization, hence, increases their commitment to the company. Providing feedback is also necessary for keeping team motivated. Everyone wants to know what they did right and what they could potentially improve. Very often virtual employers provide only negative feedback to the team and forget to praise them for the achieved results. It can be extremely demotivating, therefore, it is necessary to make sure to provide both positive and negative feedback to the employees, and more importantly, to ask them to provide their feedback in return. (Hainstock, 2016)

Managers should remember that motivated employees are the ones who feel valued and recognized. Therefore, every organization should have a good recognition program in place. It can either be a weekly shout out to outstanding employees or certain rewards for successfully completed projects. (Hainstock, 2016) One of the most appreciated rewards a company can give to its employees are opportunities for growth and career development. Every employee has professional goals, and moving up the career ladder is definitely one of them. Motivated, loyal and committed employees are the ones who know that their hard work will not stay unnoticed and underappreciated. (Nolan, 2016)

Another practice aimed at sustaining employee motivation is gamification. Gamifying the working environment is being commonly used in both traditional and virtual settings. It is proved to not only make work more fun and competitive, but also to keep employees motivated by creating a rewarding system for achieving set objectives. (Hainstock, 2016)

To conclude, every employer should understand that it is their job to keep team motivated about their work. If employees feel valued and recognized, if they see that their efforts are appreciated and that there are many opportunities for growth, they will not need additional motivation to keep going and doing the best they can.

3.3 Conflict management

It may seem that due to lack of direct contact, virtual teams experience less conflicts than face-to-face teams. However, it is not true. There are two types of conflicts that usually arise between team members; interpersonal or task-oriented. In case of virtual teams, interpersonal ones rarely happen on its own, however, any task-related dispute can easily devolve into a personal conflict. This is explained but the lack of face-to-face interactions and as a result, lack of trust. Therefore, to avoid or, at least, to minimize conflicts, it is necessary to build trust within team. (Ferranzzi, 2014)

According to Darleen DeRosa (2015), managers can do several things to address trust issues and strengthen their virtual teams. To begin with, face-to-face meetings are recommended. Big companies arrange annual get-togethers for their teams to connect on a personal level. They plan team-building activities and spend time together communicating with each other and building relationships. Companies doing that are proven to be more successful and better performing than others. Smaller companies, which cannot afford such investments, can set aside time for virtual non-business related meetings, which can happen as often as every month.

Another helpful technique would be to create a virtual water cooler, which is a virtual place for team to chitchat and talk about things other than work. It can be a separate chat on Skype or a Facebook group, where everyone is free to socialize with each other. (DeRosa, 2015) To create and maintain a friendly environment, managers can encourage team to share their reasons to celebrate, whether it is their Birthday, relationship anniversary or some personal achievement. Sharing these personal things

and engaging with each other will increase and positively affect team spirit. (DeRosa, 2015)

Talking about teamwork, it is advised to pair team members strategically. When assigning team members to projects, it is important to mix them up whenever possible. This will allow not only to strengthen relationships between team members, but also to bring new skills and fresh perspective to projects. (DeRosa, 2015)

Lastly, in order to reveal conflicts on time and to deal with it before it gets worse, managers should encourage feedback and open dialogue. Employees should not be afraid to speak up, when they are not satisfied with things or are upset about something. The majority of conflicts can be solved by a simple conversation before it becomes a serious issue. (DeRosa, 2015)

Team conflict is a natural thing and it surely can not be avoided completely. However, its number can be minimized by following these simple tips. Conflicts never resolve on its own, especially in a virtual environment where employees do not have a chance to face each other and talk through their issues. Mismanaged team disputes can lead to failed projects and toxic workplace environment, that is why it is important to build trust, thus, to prevent as many conflicts as possible.

3.4 Tools and technology

Laptop and the internet connection are basically everything a remote employee need to do their job. However, there are many tools designed for virtual teams to make their communication and day-to-day routines better and easier. Every company can decide which software is right and which is wrong for their needs, there are plenty collaboration tools to choose from depending on its features and pricing. This chapter reviews only the most popular tools based on the results of the survey conducted by Remote.co website in 2016.

Interviewed companies were asked to name the tools they use to collaborate remotely in six different categories: instant messaging, project management, team collaboration, phone calls, video calls and screen sharing. According to the survey results, only three categories of tools are used by a majority of respondents on a daily basis. These are

instant messaging, project managements and team collaboration tools. (Remote.co, 2017)

The absolute leaders in instant messaging were Slack (32.4%), Skype (19.7%) and Google Chat (15.5%). Talking about project management tools, Trello and Pivotal Tracker shared the leading place, accounted by 14.7% each, and followed by Basecamp (12% of respondents).

Lastly, Slack was also recognized as the most popular team collaboration tool (39.7%). 13.2% of respondents replied that they do not use any team collaboration tools, while 7.4% voted for Yammer. (Remote.co, 2017)

Less than 50% of respondents said that they use phone calls on a daily basis and for that purposes 29.1% prefers to use Skype, 25.5% votes for cell phone and only 9.1% uses landline. The most popular tools in video calls category are Hangouts (35.1%), Skype (33%) and Zoom.us (8.5%), and the majority of respondents uses video calls either on a daily or a regular basis. (Remote.co, 2017)

The last category is screen-sharing tools, which is used regularly rather than daily by the majority of respondents. The top three answers were GoToMeeting (17.5%), join.me (16.5%) and Google Hangouts (15.5%). (Remote.co, 2017)

Taking into account everything above, it is possible to conclude that the most popular tools are Slack, Skype and Google Hangouts, which are mostly designed for a quicker communication among team members.

4 RESEARCH

4.1 Case company description

Blooming Twig (BT) is an award-winning boutique publishing house, media company, and thought leadership marketing agency based in the United States. The company was founded in 2005, and since then it published more than 400 titles in various genres, represented and re-branded hundreds of thought leaders, as well as worked with many authors, speakers, trainers, and organizations on their marketing strategies. (Blooming Twig, 2017)

Kent Gustavson, founder and CEO of Blooming Twig, is a serial entrepreneur, who shepherded thousands of authors through the process of writing, publishing and marketing. He is a ghostwriter of over 50 books, award-winning author, trainer, educator and speaker. (Clarity, 2016)

Kent Gustavson (2016) says that he always wanted to change people's lives, whether it is students, CEOs, authors or musicians. He adds that he is doing what he can to improve the world around him with what he has got.

Blooming Twig offers a variety of services such as publishing, ghostwriting, writing speeches and booking gigs for speakers, marketing and social media services, organizing kickstarters and fundraisers, coaching services and many others. It is a small company, 100% remote, with a virtual team from all over the world.

The team is divided into three groups: Executive Team (management team), Expert Team (project team) and Innovators Team (interns). There are around 25 team members in total, including freelancers who work at Blooming Twig on a project-basis. Project team members belong to different departments within the organization: Sales & Marketing, Writing & Editing, Social Media, Design & Web Development. Due to the size of the company, there are no separate departments for Business Development, Human Resource and Finance, all relevant activities are being handled by the Executive Team. Blooming Twig is actively outsourcing and hiring freelancers for certain projects.

Blooming Twig's team is globally dispersed, there are contractors from the US, Germany, Finland, Belarus, Russia, Philippines, Indonesia, Serbia, India. As any remote company, Blooming Twig experiences challenges which interfere with its day-to-day

activities. The aim of this research is to identify these challenges and suggest solutions to the company. Since problems associated with remote work are well-known and applicable in all cases, it was decided to create a guidelines to an effective team, which will be helpful for any company operating virtually or planning to do so.

4.2 Research methodology

For the purposes of this thesis, both quantitative and qualitative research methods were used.

“Quantitative research is the conduct of investigations primarily using numerical methods, whereas qualitative research tends to use exploratory approaches and produce textual data rather than numbers or measurements.” (Roberts et al, 2006.)

Quantitative research method should be used when the study aims at finding out the answer to research questions through numerical evidence. On the other hand, qualitative research method should be used to receive verbal data, which can answer questions why and how, give in-depth answers to questions and opinions on various matters. (Explorable, 2017)

Quantitative data is easily measurable and can be accurately analysed. Therefore, quantitative research method was used to gather statistical information, which was supposed to either support or dispel facts and numbers presented in the theoretical part of this thesis. For that particular purpose closed-ended questions were asked. However, the main objective of this thesis was to identify case company's challenges and provide solutions. Qualitative research method was used to get respondents' opinions on company's operations and challenges as well as to ask for their suggestions for improvements. It was important to receive descriptive answers, therefore, open-ended questions were asked.

4.2.1 Data collection

To obtain reliable and valid results it was decided to use internet-mediated questionnaire, which consisted of 18 questions, both open-ended and closed-ended. The survey can be found in Appendix 1.

The questionnaire was conducted between February 13th and February 20th in 2017. It was sent to 13 key employees at Blooming Twig, including the CEO, management team and project team members. Since the rest of employees are working on a freelance basis, it was decided not to involve them into research due to the fact that they are not taking part in company's day-to-day activities and therefore, it would be impossible for them to answer survey questions. By the due date all 13 responses were submitted. Despite the fact that both quantitative data and qualitative data was gathered via the survey, the last one is more important for this research, therefore the number of respondents was enough to make reliable conclusions.

4.2.2 Data analysis

Once the data was collected, it was time to start analyzing it. To begin with, all responses were read by the author to ensure that all questions were understood by respondents and answered. Then, all quantitative data was separated from the qualitative one, because each type of data has different analyzing approach. To analyze quantitative data it was necessary to sort responses by questions and prepare graphs based on collected information. It allowed to get a visual data, which was extremely helpful in describing results and making relevant conclusions.

While analyzing qualitative data all responses were also grouped by questions. After that each question was analyzed one by one, following the same process: cleaning data by editing typos, grammar and punctuation errors; reading all answers and making notes summarizing each opinion; looking for similarities in responses; looking for unique opinions; making conclusions based on collected data and supporting it by citing respondents.

As soon as all data was analyzed and recorded, the guidelines was created and general conclusion was made.

4.2.3 Reliability and validity

According to Roberts et al (2006), reliability and validity are ways of demonstrating the accuracy of the research process and the trustworthiness of the research findings. Reliability describes the repeatability of findings, in other words, how far a questionnaire will produce similar results in different circumstances, assuming nothing else has changed. At the same time, validity is about how well the questionnaire measures what it is intended to measure.

To ensure reliability of the research, it was decided to make it anonymous. When conducting a research in small companies it may be easy to identify the person via questions about sex, age and country of origin. Therefore, in order to keep the survey as anonymous as possible it was decided not to ask these questions, except age, as it doesn't add any value to the research. Age was interesting to consider for further argumentation, therefore author decided to ask this question in form of age range.

The research is reliable, as author interpreted collected data carefully avoiding any bias. Author could not in any way affect respondents and their responses. The survey was sent to respondents via the email, the purpose of the survey was explained, honest replies were asked and anonymity guaranteed.

To ensure data validity the questions were well-formulated, explanatory notes were added when needed to avoid any misunderstandings. The questionnaire was approved by the company, which makes it valid.

5 FINDINGS

5.1 Quantitative data

According to the figure below, the majority of respondents belong to the age category 18-25. 31% of respondents are within 31-40 age range, while 23% of respondents are between 26 and 30 years old.

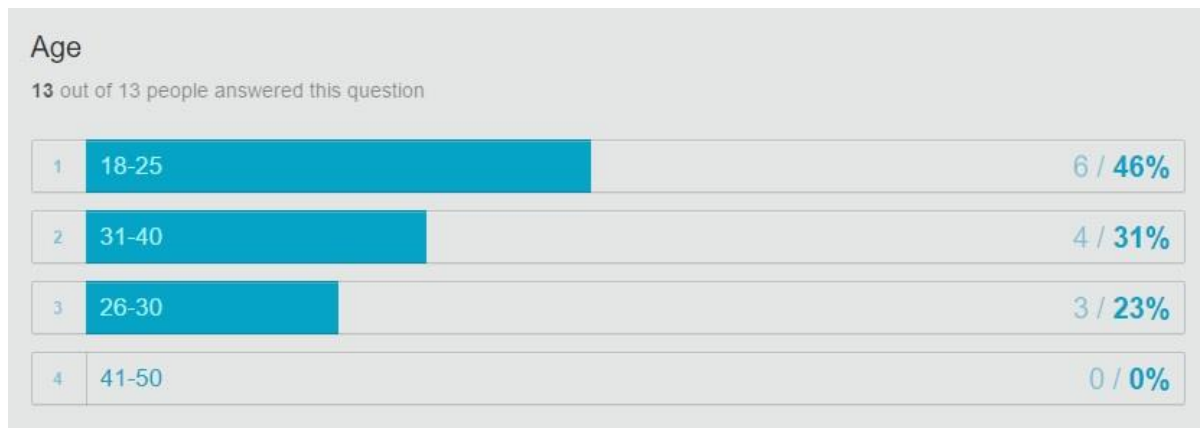


FIGURE 1. Respondents' age range.

Figure 2 shows that there is an equal amount of respondents employed full-time and part-time by the case company, which is accounted for 31% each. 38% of respondents work on a project basis.

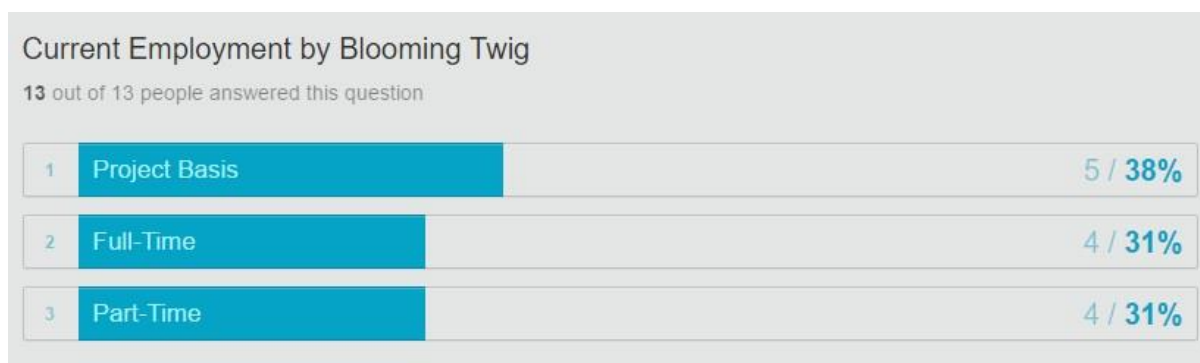


FIGURE 2. Current employment by the case company.

According to Figure 3, only 15% of respondents are employed solely by Blooming Twig. The rest of them are also employed by other companies either full-time, part-time or on the project-basis, which is accounted for 15%, 31% and 38% respectively.



FIGURE 3. Current employment in general.

Based on data presented on Figures 4 and 5, 73% of respondents employed by other companies are working either 100% remotely or can choose where to work from. At the same time, 85% of respondents have experience of working in the traditional workplace.

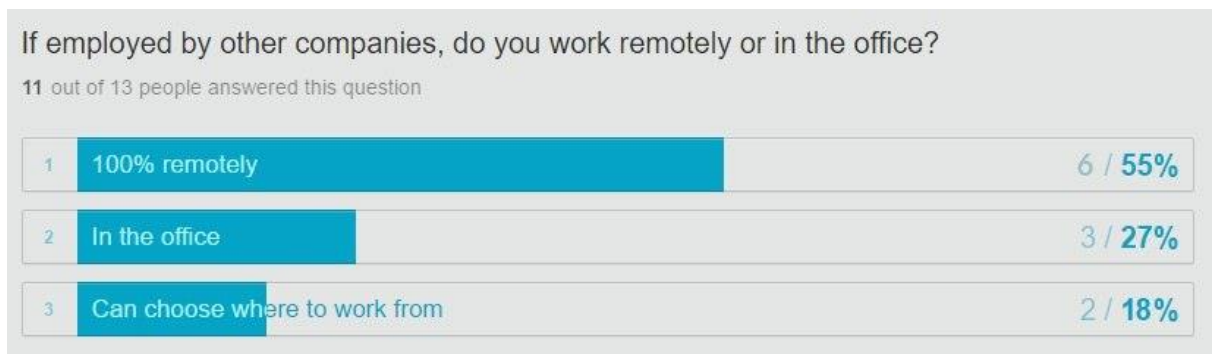


FIGURE 4. Traditional vs remote work.



FIGURE 5. Work experience in traditional companies.

According to Figure 6, the majority of respondents accounted for 61% have been working remotely for more than a year.

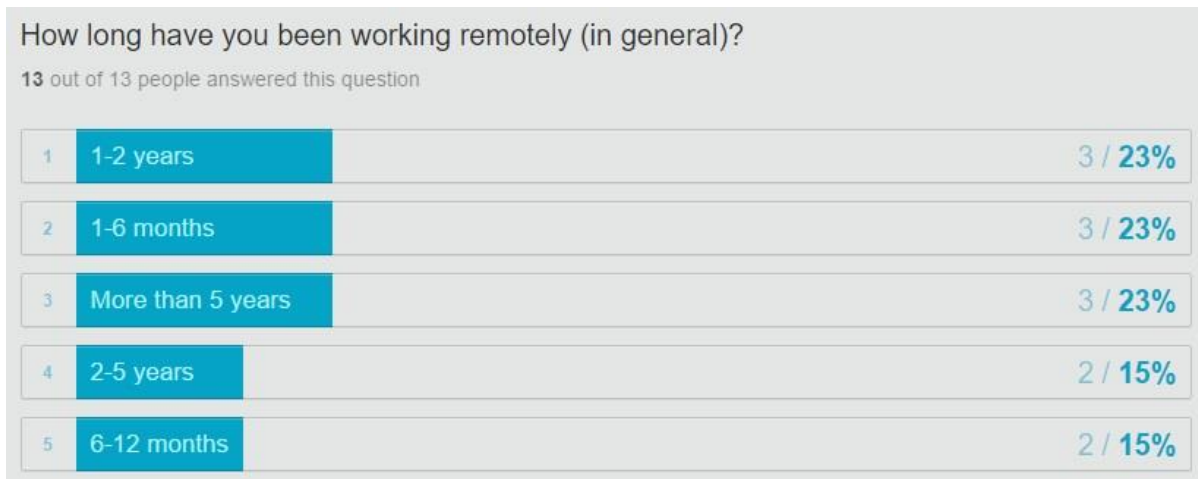


FIGURE 6. Remote work experience in years.

The next three questions were aimed at finding out whether working from home makes respondents

- a) More productive
- b) Happier and more satisfied with their job
- c) Less stressed

as it was suggested in the theoretical part of this thesis.

Based on the Figure 7, it can be concluded that 54% of respondents expressed their agreement with the statement “I am more productive when working from home”, while 38% decided to not agree nor disagree with this statement, and only one person, which is accounted for 8% of respondents expressed their disagreement.

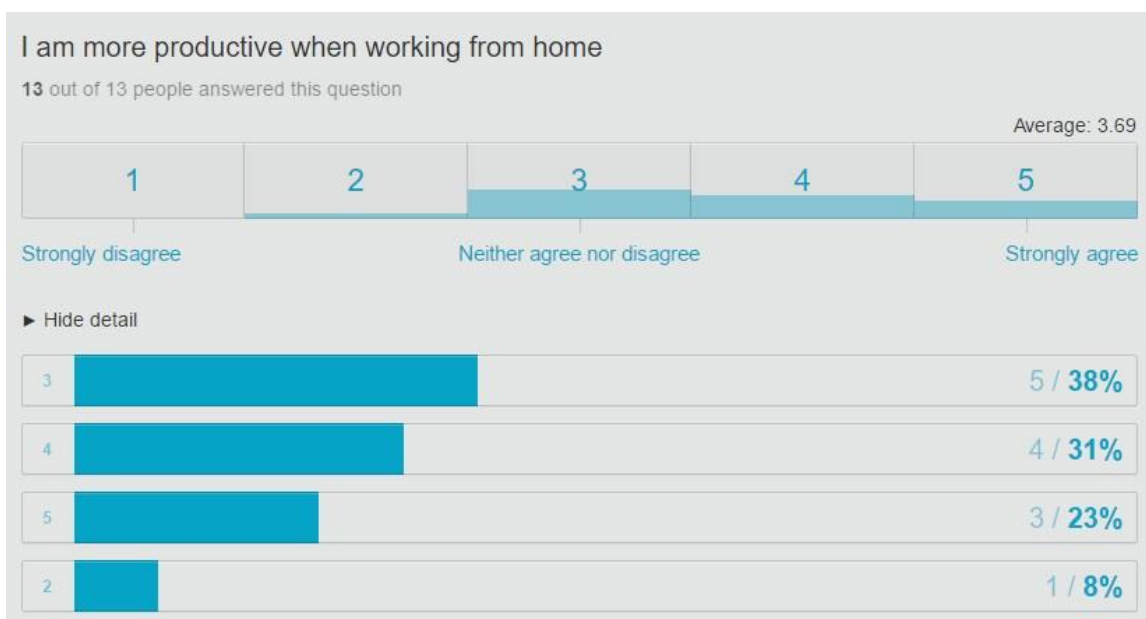


FIGURE 7. Productivity.

According to Figure 8, the majority of respondents, accounted for 77%, is happier and more satisfied with their jobs when working from home.

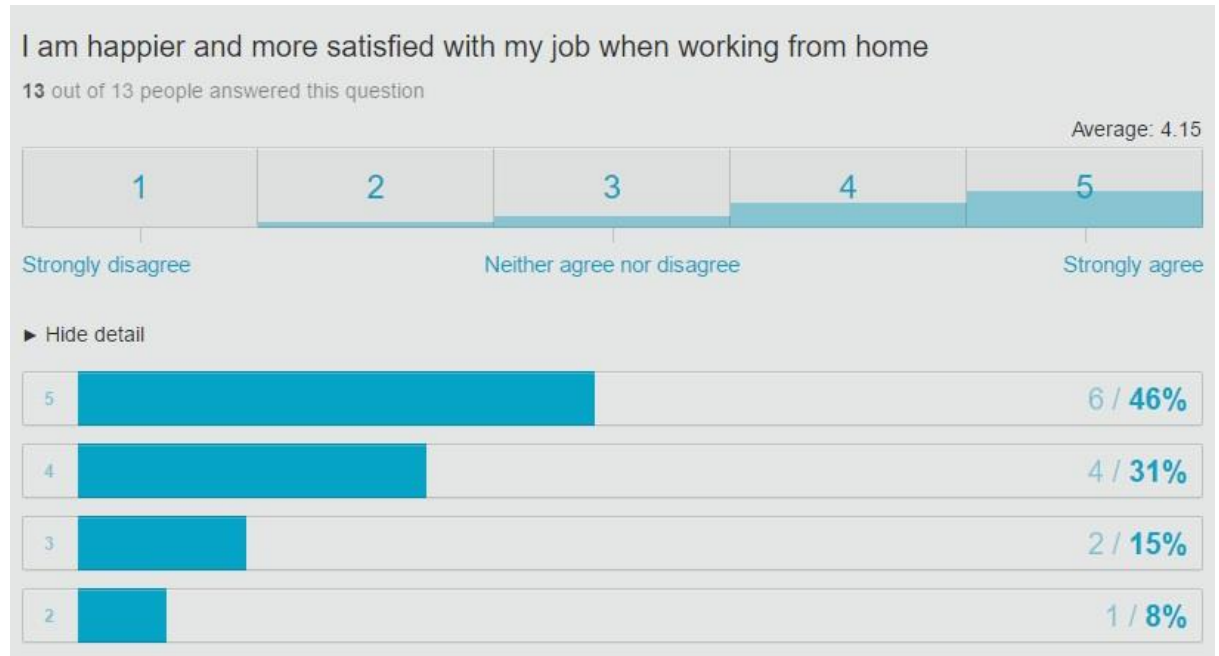


FIGURE 8. Happiness and job satisfaction.

Figure 9 demonstrates that 54% of respondents agreed that they feel less stressed when working from home, while 38% of respondents preferred not to agree nor disagree with this statement.

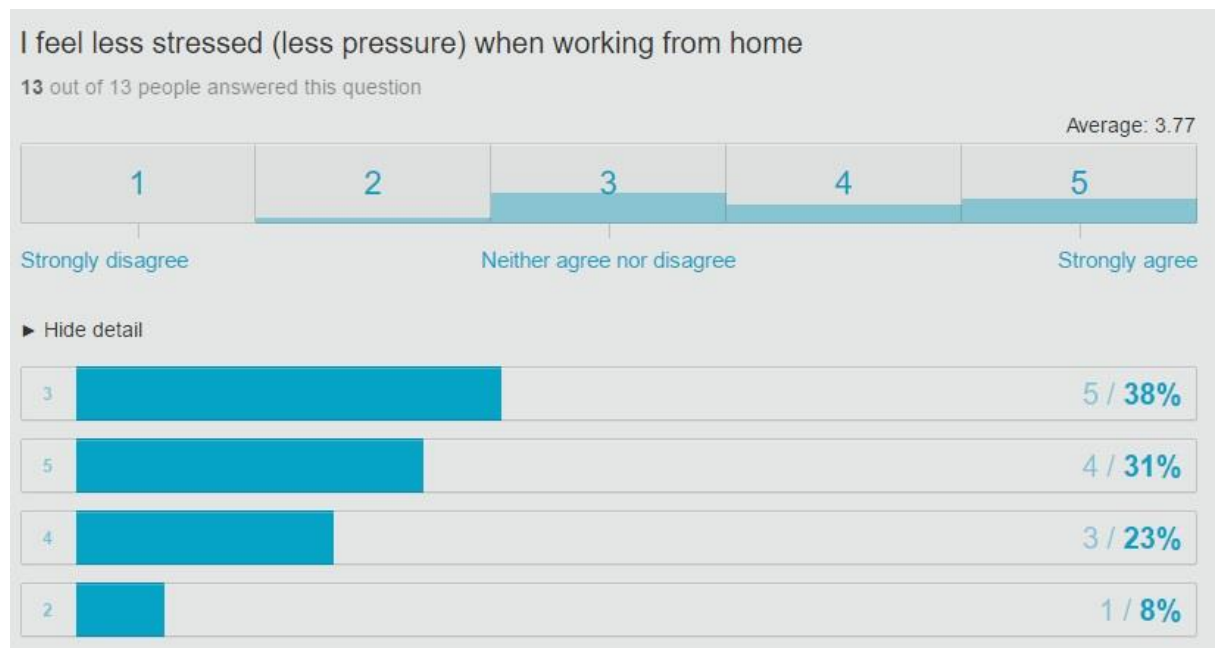


FIGURE 9. Stress and pressure.

Figure 10 shows that the most popular opinion is that VT and TT are equally productive and efficient, 54% of respondents chose that answer. The rest 46% of respondents believes that virtual teams actually outperform traditional teams, while none of the respondents think that VT perform worse than traditional ones.

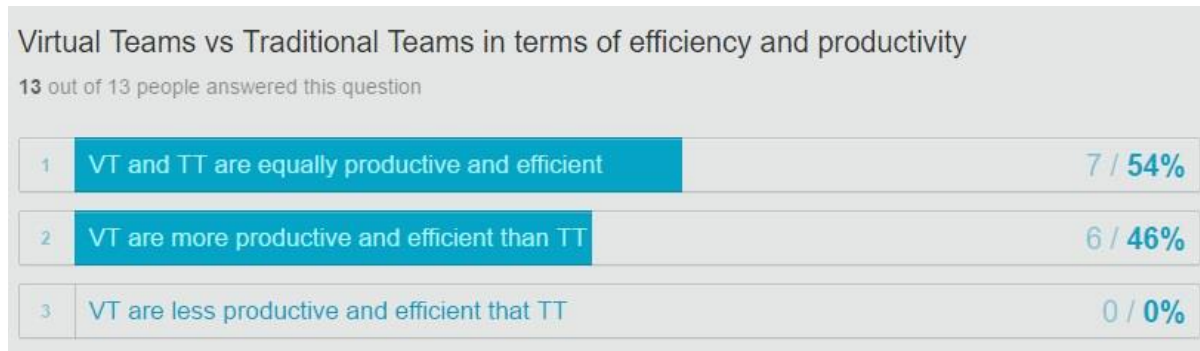


FIGURE 10. Virtual teams vs traditional teams.

5.1.1 Summary of findings

The research revealed that the majority of respondents belong to the age category 18-25. It is notable, that none of the respondents are older than 40 years old, which can be justified by the fact that younger generation is more comfortable with technology and is more likely to work in a virtual setting. Based on the age range of respondents, it is possible to conclude that all respondents belong to the millennial generation. According to Investopedia (2017), Millennials (also known as Generation Y) is the generation born between early 1980s and late 2000s. This generation is commonly associated with technology and social media.

In terms of employment, there is an equal amount of respondents employed full-time and part-time by the case company, which is accounted for 31% each, when 38% of respondents work on a project basis. Only 15% of respondents are employed solely by Blooming Twig. The rest of them are also employed by other companies either full-time, part-time or on the project-basis. Based on this information, it is possible to conclude that people who work remotely tend to have several jobs at a time, depending on their workload in each one of them.

73% of respondents employed by other companies are working either 100% remotely or can choose where to work from. At the same time, 85% of respondents have experience of working in the traditional workplace. It can be concluded that even though the majority

of respondents have ever worked in the office, for some reason they switched to the virtual environment. Lastly, the majority of respondents employed by more than one company, work in a virtual settings for their other jobs too. In addition, the majority of respondents accounted for 61% have been working remotely for more than a year, which is, from author's point of view, a solid period of time. It is unlikely that after all this time of remote work, respondents will switch back to the office settings.

Respondents were asked to assess themselves in terms of productivity, happiness and stress levels. As a result, the majority of respondents, accounted for 54%, believes that they are more productive when working from home. At the same time, 77% of respondents are happier and more satisfied with their job, which is similar to the results of the research conducted by TINYpulse, which was mentioned in chapter two. Lastly, more than half of respondents states that they feel less pressure when working remotely.

The research conducted by ConnectSolutions revealed that virtual teams are more productive than traditional ones. The details of this research can also be found in chapter two of this thesis. Respondents of this questionnaire were also asked to compare virtual and traditional teams based on their efficiency and productivity. As a result, the majority of respondents think that virtual and traditional teams are equally efficient and productive. It is notable that none of the respondents believes that traditional teams outperform virtual ones.

5.2 Qualitative data

5.2.1 Reasons for working remotely

Why did you start working remotely?

Every respondent had their own reasons for starting to work from home, but the most common ones are the convenience and flexibility of this type of employment, which under the circumstances became crucial for employees:

"It fits my lifestyle as a single parent and working style."

"I took a virtual internship out of necessity, because I already had a part-time job in an office and went to school full-time. Virtual internship meant I could do it between classes, at night, or on weekends."

"I am currently studying and do not know where I will want/get the chance to settle, working remotely is a great opportunity for me to develop professionally and make money without being geographically attached to my company".

5.2.2 Pros and cons of being a virtual employee

What are the pros and cons of being a virtual employee?

The biggest pro of being the virtual employee for the majority of respondents is a flexibility of working hours and workspaces:

"The pros of being a virtual employee is having the freedom to choose to do your work in a space you are comfortable in and at a time that you feel you are most productive and creative."

"The main pros are location independence (travel for life!), flexible schedule, no commute."

Another benefit virtual employees appreciate is the ability to work for the company (or several companies) in another country with higher salaries:

"Can work for any country, meaning you can work for high income countries while living and saving money in a cheap place."

Lastly, respondents also mentioned many opportunities to learn and the ability to save money as advantages of being a remote employee.

According to respondents, the biggest cons are lack of socializing, lack of discipline and distractions:

"It's hard to be disciplined."

"Lack of society around you and distractions from the real world"

Issues caused by full dependency on technology is another challenge virtual employees face:

“Slow internet connection at times. Working from the laptop makes me dizzy. Forgetting to log on and off time-tracking software.”

Lastly, respondents named lack of stability, employee benefits & growth as another con of being a virtual employee:

“There is not much stability compared to corporate. Often, there are no employee benefits other than being able to work at your own space or time. There is not much growth, because most virtual companies are small teams where the Entrepreneur is the head.”

5.2.3 Advantages and challenges of virtual teams

What are the biggest advantages and challenges of virtual teams in general?

According to respondents, the biggest advantages of virtual teams are bigger talent pool (meaning that companies can hire employees from all over the world, as well as find clients worldwide) and low costs for a business. Several respondents also mentioned that with virtual teams it is possible to provide higher income in countries with low minimum wage. Finally, team members are happier because of flexible schedule, which is a huge advantage for both parties.

Talking about the challenges, communication issues and time zone boundaries are the most common ones according to the research results. Hiring is also challenging in terms of finding a right person for a position, and the market is very competitive. In addition, many respondents believe that setting up good work processes and utilizing effectively right tools for communication require additional efforts in virtual teams. Lastly, employee engagement, team loyalty & company culture seem to represent a challenge for virtual teams as well.

5.2.4 Current challenges at the case company

Identify current challenges and problems at BT, which are caused by being a 100% remote company?

According to respondents' answers, communication seems to be the biggest challenge at Blooming Twig as well as time zone boundaries (which have a direct impact on communication):

"Communication gaps and time zone boundaries. Something may need to be done urgently, but people who need to complete it are at a different time zone and cannot work at that particular time."

Several respondents believe that cultural differences also represent a certain challenge for the team, while another employee says:

"Oddly enough I don't see lots of cultural clashes. I feel like people who consider remote work for a US company are by default more open, more culturally educated."

Many respondents believe that management & delegation issues need to be addressed by the case company:

"Management and delegation - definitely. It is hard to adjust to different working styles and schedules. Burnout is a huge issue that stems from management and sometimes poor hiring decisions."

Respondents also expressed other concerns: *"The virtual office is confusing for first timers"* and *"No clarity about where are we moving as a team"*.

5.2.5 Suggestions for improvements at the case company

How would you improve BT's processes to increase team's efficiency and productivity?

Based on respondents' opinions it became clear that one of the most important processes BT needs to improve is communication. It was suggested to make communication centralized and use less platform for that purpose:

"I think it's a problem of developing a perfectly optimized routine and such factors as centralized communication. If my team communicates about one thing on one platform, and about two other things on two other different platforms, I get more confused and distracted."

Respondents believe that it is also necessary to use the right software and establish processes:

“Just full use of BC and keeping everything streamlined. We have the tools to increase efficiency, we just need to be better about using them.”

Respondents also think that BT needs to be more transparent in terms of work everyone has been doing:

“It would be great if we could see the progress each team member has made on the particular task assigned to them: percentage completed, time left, etc. So if there are people who have too much on their plate and are in need of help, it would be easy to identify who can be of assistance.”

It was also suggested that hiring full-time employees will increase team's efficiency because then they'll be 100% committed to the job and will be more available:

“Have more full-time workers who are really dedicated”.

Lastly, it was suggested to address workload & time tracking issues:

“Decreased workload for people to ensure they have time to think about projects and still bill the company for it. Otherwise, people end up "working" and getting tired in front of their screen for 10 hours while being able to bill for "work time" for only 6-7 out of them. There needs to be a middle ground between 100% time tracking in virtual teams and inefficient 8 hour days in an office (while people work only 5-6 hours out of those 8 on a good day).”

5.2.6 Technological tools

What kind of technological tools BT could potentially use to improve processes and to overcome current challenges?

This question was asked to figure out whether new tools could potentially help Blooming Twig to deal with its current challenges. However, the majority of respondents agreed that Blooming Twig already utilizes great tools and there is no need in new ones.

Some respondents added that although BT uses great tools already, the company could use current tools *“to its full potential”* or use *“fewer tools with more attention paid to each tool”*. One of the respondents suggested that it is worth considering to even let go of some tools that are not needed:

“I believe we have the right technology in place, sometimes even more than what is needed. I think the key is simplifying everything. Use only what is needed and let go of the things that are not needed even if it works like magic”.

Respondents feel that BT could potentially use automation, reporting and evaluation tools to make processes easier and smoother:

“We need good tools to automatically remind team about some things, and for them to report to us regularly”.

“Evaluation tools will help BT greatly. This gives employees and team members rate each other for efficiency and productivity. It allows self-evaluation on what to change or improve.”

5.2.7 Team building, trust, motivation

Elaborate on the importance of team building, trust, motivation in VT. Do you think BT should address these issues? If yes, what could be improved and how would you do it?

The majority of respondents agreed that team building, trust and motivation are extremely important for all teams but especially for virtual ones:

“I think VT needs it even more than traditional teams, because it's hard to deal with all these things alone. It is important to motivate, build trust through team communication and activities. People should feel free to express their views and say if they have any problems. Otherwise it's easy to just say that everything is ok, because no one really sees you.”

However, some respondents believe that motivation is not an issue in VTs because remote employees are motivated on their own:

“I think with a virtual team, we are already motivated, because it takes a motivated person to get work done without having a boss right in front of them”.

Others say that it is important to hire right people, because if the person is not a fit for the job, if they cannot thrive in a virtual environment, it won't matter what the company does:

"I think it's also extremely important to hire the right people. People who thrive in remote teams are either a) introverted experts in narrow areas who can quietly and efficiently work on tasks like design, translation, whatever and be happy working from home b) entrepreneurial leadership types who manage themselves very well, are stress resistant etc. If a person is stressed out by the necessity of managing their time, they will never survive on a remote team. No matter what we do."

Talking about the case company almost all respondents mentioned that BT has a great company culture and is constantly addressing the issues of team building, motivation and trust:

"Trust and motivation are heavily embedded and successful at BT. The company culture was better when I started but still pretty great."

Although the majority of respondents agrees that BT is already doing a great job, it was suggested to invest in team-building activities and arrange those at least once a month for a team to get to know each other. Video calls were suggested as one of the ways to do that:

"In my opinion, video calls are a good way to "break the ice" and remind yourself that you're actually working with real people."

5.2.8 Future of virtual teams

What do you think about the future of VT: Is it just a trend that will pass or the number of VT will only grow over the years? Can it replace traditional teams?

All respondents believe that the number of virtual teams will only grow over the years along with technology development:

"It will certainly grow because it's very cost efficient for businesses, saving on space and additional costs required by a traditional office".

"I think VT will stay and will just grow big in the years to come. This is the age of the Internet where anything and everything can be done on the web."

However, almost all respondents add that even though virtual teams will continue to grow and potentially will even outnumber traditional teams, it cannot fully replace it:

“Can't replace entirely, just like Kindles can't replace paper books entirely. I think it will grow, and the companies that utilize them best and it makes sense for the particular industry will find great use for them.”

“It seems like VT cannot fully replace traditional teams, because there are many sectors that require presence of a real team, such as service sector or the media. However, the traditional team can be strongly influenced by VT, in a sense that, for example, the two can combine. Workers won't need to be present in the office just to fill the space, only when necessary. What is for sure, VT does not seem like a trend that will pass.”

5.3 Suggestions for Blooming Twig

The research revealed that the case company has several issues, which disrupt work and decrease team's efficiency, and as a result, require immediate actions. The main problems, according to the survey results are:

- Communication
- Time zone boundaries
- Management & delegation
- Cultural differences
- Virtual office is confusing to newbies
- No clarity of where the company is going

1) Communication is the most serious problem at the case company, as well as in any other remote team. Delayed responses, unanswered messages, not being able to reach the person you need – these are only some of the communication challenges. Based on employee's feedback, several communication platforms at a time seem to be confusing.

Communication process needs to be centralized and constant. It is recommended to use one platform for all internal communication, this way employees always know where to look for new messages and won't miss any while switching between several apps. Slack is one of the best tools for keeping internal communication organized, therefore, it is recommended to contact employees via Slack only, create relevant threads there for client projects, team updates and random chats for non-work-related conversations.

Email should be used for client communication only, this way internal and external communication will be separated and will not overload employee's inboxes. Going

through emails may be extremely exhausting and time-consuming; there is a high risk of missing important messages. Email also creates delays in responses, while Slack works as a chat, and instant communication is closer to real-life conversations and project discussions in the offices.

It is important to make it clear to employees that the only way the team can communicate and stay updated is through constant flow of communication. It is everyone's responsibility to make sure to check their messages daily and give immediate responses if needed, as well as to pass all important information and updates to the team members.

2) Time zone boundaries is another challenge of all virtual teams. This is something the company need to learn how to deal with because this is something that defines remote teams and it cannot be fully solved. To make sure that time zones do not delay communication between team members, it is recommended to create a common team calendar. Employees should fill out the calendar on the weekly basis with their approximate availability. This will allow to see overlaps in schedules, which will make the communication process easier since everyone will know when another person will be online to ask them a question or work together on projects. Overlaps are extremely important for virtual teams as these are the most productive hours when things can be discussed and proceeded with quickly.

3) Management & delegation is something that needs to be constantly improved in any company, traditional or virtual. As many respondents noticed, deadlines are being missed and pushed due to the fact that only 31% of employees are hired full-time by Blooming Twig. The rest 69% can devote only a limited amount of hours per week to the company and its projects, they have other responsibilities as well and often miscalculate their time, which leads to delays in assignments. Management team needs to seriously consider hiring more full-time employees instead of hiring many part-time contractors.

At the same time it is important to address delegation issues. New tasks need to be assigned to people based on their availability and workload; deadlines for different assignments should not be close to each other; it is necessary to take into account buffer time and set a due date considering possible delays and need for further changes. With virtual teams, it is important to ask if an employee has time for the project and can get it done on time, otherwise it needs to be re-assigned. It is necessary to

follow-up with team members on their assignments, ask about the progress and if there any questions or additional information required.

Employees also want the company to be more transparent about the work being done. Not only managers but also project team need to have an overview of projects, to know what is happening. This way everyone can see what needs to be done and can offer their help, as well as to see progress, project timeline, who to address their questions to.

Virtual team more than any other team needs constant managing and overseeing of the work done. All projects and tasks related to the projects, even the small ones, need to be recorded on the appropriate boards in the virtual office. This way it will be easy to monitor progress and nothing will fall through the cracks. Blooming Twig uses Basecamp, which is a great platform for remote teams. It allows creating different boards for projects and teams, creating checklists, schedules, messages, and storing files within these boards. As respondents noticed, Blooming Twig has all the software it needs, it should only learn and more importantly, teach employees how to efficiently use it to its full capacity. To do that it is recommended to establish and record processes in forms of guides, make it available to all team members and make sure they follow it. Once all systems and processes are in place, it will be easier for both team and managers to do their job and be more efficient.

4) Cultural differences is another thing that defines virtual teams. It is not easy to work in a multicultural environment because every culture is specific; however, all cultural misunderstandings arise mostly because people do not take time to get to know another culture. This is something that should be part of team building activities. Respondents believe that team building is extremely important for all team, but especially for virtual ones. Companies need to invest in such activities because it is the only way to trust, great company culture, engaged and motivated team. It is recommended to schedule video calls with a whole team at least once a month to get to know each other, give and receive feedback, do team building exercises. Video calls will create the atmosphere of real communication, it will help team members not to feel isolated and to feel as a part of the team. These calls should be used to motivate people, to talk to them about the company and where it is going, how everyone's work is appreciated and how everyone's invaluable contribution makes the company one step closer to its goal.

5) Virtual office can be very confusing for those who never worked remotely or never worked with platforms company is using. It is important to make the onboarding process

of new team members as smooth as possible. In order to do that, it is recommended to create welcome guides, covering all important aspects related to company culture and policies, daily and weekly routines, overview of software used, overview of team members and clients. It is necessary to make sure the person has all the information they need to get started and operate efficiently under new conditions. However, it is important to remember that all these information needs to be recorded for further use. It will save a lot of time when onboarding and will allow all team member to come back to it when they have a question or just want to refresh the memory.

6 CONCLUSION

To conclude, it is necessary to say that virtual teams are definitely here to stay. All respondents believe that virtual teams will only grow over the years along with technological developments. Due to the nature of some jobs, which require actual presence at the workplace, it is highly unlikely that virtual teams will fully replace traditional ones. However, it is possible that in 10 years its number will significantly exceed face-to-face teams.

This study introduced virtual teams and demonstrated its advantages over traditional ones. The most common challenges of remote teams were described and management advices were given accordingly. The research allowed not only to support theoretical findings, but also to learn more about the case company, identify its current challenges and make appropriate suggestions for improvements. Based on all discussions in this thesis the guidelines to an effective team was created.

The process of thesis writing was extremely interesting and useful. The author had an opportunity not only to demonstrate and apply the knowledge gained through study and work experiences, but also to learn even more in the process. While working on a theoretical part of the thesis, author retrieved information from various sources, which allowed to study different points of view on the subject, to deepen knowledge in the areas of virtual environment, remote work and team management. The research results provided value not only to the case company, but also to the author as it is essential for the author's self-education and further career development. All in all, the ability to work independently on planning and implementing a thesis project was one of the most valuable experiences in a study curriculum.

6.1 Guidelines to an effective team

1. Choose technological tools carefully. It is better to use only several tools, depending on company's needs. It is important to make sure everyone on the team knows the purpose of each tool.
2. Separate internal and external communication. For internal one it is better to use instant messaging platforms, which are closer to real life conversations.
3. Encourage your team to communicate properly and regularly.

4. Find a way to create schedule overlaps with the whole team, for instance, via common calendar.
5. Hire more full-time employees, it'll guarantee their commitment and will make your team more efficient.
6. Use smarter management and delegation strategies, make sure not to overload employees with work as it directly affects projects' output. Establish processes and encourage team to follow them. Remember to follow-up with team, check in on their progress and oversee the whole process. Set up reporting processes to constantly receive updates from the team.
7. Use virtual office to its full capacity. Everything should be recorded and organized in one place for quicker access and better overview of things.
8. Use automation when possible to save time, since the information flow is mostly in electronic format, it is smart and easy to automate things.
9. Be transparent with your team, it is important to show them what is happening so that they can contribute, monitor progress and be a part of it.
10. Invest in team-building activities and motivate your employees. Build a great company culture and make your team be a part of it.
11. Have video calls with your team as an alternative to live communication.
12. Remember to ask for a feedback on company's operations and processes (monthly survey, for example) and do not forget to provide feedback to the team. Feedback is the most efficient tool on learning what is done wrong and how things can be improved.
13. Have welcome guides or orientation packages ready for new team members to provide them with all necessary info about the company, its policies and software (remember to use automation for that).

Virtual team is a unique phenomenon, when people from all over the world, who probably never met each other and never will, work towards a common goal. Due to the nature of virtual work, there are certain challenges a team needs to overcome to achieve high levels of efficiency and productivity. However, with well-established communication and collaboration processes, as well as with appropriate management strategies, virtual teams can actually outperform their office colleagues.

According to recent researches, 60% of today's office-bound employees are expected to be working remotely by 2022. (DePaul 2017). Remote teams is indeed the future of work, and the best way to success is to start learning today how to effectively lead and manage virtual workforce.

6.2 Recommendations for further research

Virtual teams is a relatively new topic, therefore, there are many opportunities for further studies. It would be interesting to do a more thorough research on team building, motivation and trust, which are incredibly challenging for virtual teams. Finding a way to make virtual teams as cohesive as traditional ones will be a breakthrough in this field.

Talking about the case company, it is recommended to implement suggested strategies and repeat the research in 6 months in order to see how respondents' opinions changed, whether processes improved and if there are other issues which need to be addressed immediately. Virtual teams depend on technology, which is a fast-developing industry. It is extremely important to follow new discoveries and inventions as it can significantly simplify company's operations.

REFERENCES

- Active Business Communications 2016. *The Advantages and Disadvantages of Remote Working* [article]. [accessed 22 December 2016]. Available from: <http://www.ab-comms.com/advantages-disadvantages-remote-working/>
- Baldassarre, R. 2015. *10 Ways to Successfully Manage Virtual Teams* [article]. Entrepreneur Media, Inc. [accessed 23 December 2016]. Available from: <https://www.entrepreneur.com/article/244197>
- Barnes, S. 2017. Infographic Reveals the Happiness of Remote Workers vs. Office Employees [article]. MY MODERN MET [accessed 10 January 2017]. Available from: <http://mymodernmet.com/remote-work-infographic/>
- Bergiel J. B., Bergiel E. B., Balsmeier P. W. 2008. *Nature of virtual teams: a summary of their advantages and disadvantages*. Management Research News. Vol. 31 Iss: 2.
- Bibby, A. 2015. *10 Stats About Remote Work* [article]. Remote.co. [accessed 03 January 2017]. Available from: <https://remote.co/10-stats-about-remote-work/>
- Bloch, R. 2017. *The Virtual Workforce: What You Need to Know* [blog]. The Hartford [accessed 22 December 2016]. Available from: <http://www.thehartford.com/business-playbook/in-depth/virtual-workplace-advantages-disadvantages>
- Bloom N. A., Liang J., Roberts & Zhichun Ying J., 2013. *Does Working from Home Work? Evidence from a Chinese Experiment* [article]. Stanford Graduate School of Business [accessed 03 January 2017]. Available from: <https://www.gsb.stanford.edu/faculty-research/working-papers/does-working-home-work-evidence-chinese-experiment>
- Blooming Twig. *About us*. [web page]. [Accessed 10 February 2017]. Available from: <http://bloomingtwig.co/about-us/>
- Boundless 2016. *Virtual Teams* [article]. Boundless Management Boundless [accessed 18 December 2016]. Available from:

<https://www.boundless.com/management/textbooks/boundless-management-textbook/groups-teams-and-teamwork-6/types-of-teams-52/virtual-teams-264-3933/>

Clarity. *Kent Gustavson, PhD*. [web page]. [Accessed 10 February 2017]. Available from: <https://clarity.fm/drkent>

ConnectSolutionsInc 2015. *Survey Shows Working Remotely Benefits Employers and Employees* [article]. ConnectSolutions [accessed 07 January 2017]. Available from: <https://connectsolutions.com/press-release/connectsolutions-survey-shows-working-remotely-benefits-employers-and-employees>

DePaul, K. 2017. *5 Remote Work Predictions for 2017* [article]. Remote.co. [accessed 25 February 2017]. Available from: <https://remote.co/remote-work-predictions-for-2017/>

DeRosa, De. 2015. *Why Building Trust Is Key to Managing Conflict In Virtual Teams* [article]. LinkedIn [accessed 11 January 2017]. Available from: <https://www.linkedin.com/pulse/why-building-trust-key-managing-conflict-virtual-teams-darleen-derosa>

Duarte, D. L. & Snyder, N. T. 2001. *Mastering Virtual Teams* (Second Edition). Strategies, Tools, and Techniques That Succeed. Jossey-Bass Inc.

Explorable 2017. *Quantitative and qualitative research* [article]. Explorable [accessed 05 March 2017]. Available from: <https://explorable.com/quantitative-and-qualitative-research>

Ferranzzi, K. 2014. *Getting Virtual Teams Right* [article]. Harvard Business School Publishing [accessed 27 December 2016]. Available from: <https://hbr.org/2014/12/getting-virtual-teams-right>

Ferranzzi, K. 2014. *How to Manage Conflict in Virtual Teams* [article]. Harvard Business School Publishing [accessed 11 January 2016]. Available from: <https://hbr.org/2012/11/how-to-manage-conflict-in-virt>

Gigli, M. 2017. *What Is a Team Leader? - Description, Role & Responsibilities* [article]. Study.com. [accessed 07 January 2017]. Available from:

<http://study.com/academy/lesson/what-is-a-team-leader-description-role-responsibilities.html>

Hainstock, J. 2016. *The art of keeping your remote team motivated* [article]. Hubstaff [accessed 22 December 2016]. Available from: <http://blog.hubstaff.com/motivating-employees-who-work-remotely/>

HeadHonchos 2013. *Virtual Teams: The Future is here* [blog]. Medium [accessed 23 December 2016]. Available from: <https://medium.com/headhonchos/virtual-teams-the-future-is-here-ffd7e3195dc#.r4389kj72>

Investopedia 2017. *Millennial* [article]. Investopedia [accessed 25 December 2016]. Available from: <http://www.investopedia.com/terms/m/millennial.asp>

Joinson, C. 2002. *Workplace Trends: Managing Virtual Teams* [article]. Society for Human Resource Management [accessed 18 December 2016]. Available from: <https://www.shrm.org/hr-today/news/hr-magazine/pages/0602joinson.aspx>

Kahai, S. 2008. *Leading In Face-to-Face Versus Virtual Teams* [blog]. Leading Virtually [accessed 04 January 2017]. Available from: <http://www.leadingvirtually.com/leading-in-face-to-face-versus-virtual-teams/>

Kelly Services 2016. *5 Proven Strategies for Motivating Employees Who Work Remotely*. [article]. KELLY Services [accessed 22 December 2016]. Available from: <http://www.kellyservices.ru/US/Business-Services/Business-Resource-Center/Management-Tips/The-art-of-keeping-your-remote-team-motivated/>

Kent Gustavson. *About Kent*. [web page]. [Accessed 10 February 2017]. Available from: <http://www.kentgustavson.com/about/>

Lewinson, M. 2010. *Virtual Team Management – Top 5 Tips* [article]. MyManagementGuide [accessed 23 December 2016]. Available from: <http://www.mymanagementguide.com/virtual-team-management-tips-to-managing-virtual-team-collaboration-within-projects/>

Lipnack, J. & Stamps, J. 2010. *Leading virtual teams: expert solutions to everyday challenges*. Harvard Business School Publishing.

Male, R. 2013. *Working remotely—pros and cons* [blog]. Richard Male and Associates [accessed 22 December 2016]. Available from: <http://richardmale.com/working-remotely-pros-and-cons/#sthash.3R9Z88l1.dpuf>

Management Study Guide 2017. *Advantages and Disadvantages of Virtual Teams* [article]. [accessed 22 December 2016]. Available from: <http://www.managementstudyguide.com/virtual-teams-advantages-and-disadvantages.htm>

Management Study Guide 2017. *Virtual Teams vs Traditional Teams* [article]. [accessed 10 January 2017]. Available from: <http://www.managementstudyguide.com/virtual-teams-and-traditional-teams.htm#>

McConnell, E. 2010. *Virtual Teams – Definition, Management And Benefits* [article]. MyManagementGuide [accessed 23 December 2016]. Available from: <http://www.mymanagementguide.com/managing-virtual-teams-understanding-definition-management-and-benefits/>

Myers, C. 2017. *The Definitions of Horizontal and Vertical Organizations* [blog]. Hearst Newspapers [accessed 25 December 2016]. Available from: <http://smallbusiness.chron.com/definitions-horizontal-vertical-organizations-23483.html>

Nolan, P. 2016. *How Do You Keep Remote Employees Engaged?*. [article]. SSM Sales & Marketing Management [accessed 04 January 2017]. Available from: <https://salesandmarketing.com/content/how-do-you-keep-remote-employees-engaged>

Rawson, R. 2013. *10 Advantages of Virtual Teams* [blog]. Staff [accessed 18 December 2016]. Available from: <http://blog.staff.com/10-advantages-of-virtual-teams/>

Roberts, P. et al. 2006. *Reliability and validity in research* [online journal]. RCNi [accessed 06 March 2017]. Available from: <http://journals.rcni.com/doi/pdfplus/10.7748/ns.20.44.41.s56>

Remote.co 2017. *Which tools do you use to collaborate with your remote team?* [article]. Remote.co. [accessed 25 February 2017]. Available from: <https://remote.co/qa-leading-remote-companies/which-tools-use-collaborate-remote-team/>

Reynolds, B. 2016. *5 Big 2016 Stats About Flexible Work, and 3 Predictions for 2017* [article]. FlexJobs [accessed 25 February 2017]. Available from: <https://www.flexjobs.com/blog/post/2016-stats-about-flexible-work-and-predictions-2017/>

Softchoice 2017. *Softchoice Infographic: The Death of the Desk Job* [article]. Softchoice [accessed 10 January 2016]. Available from: <http://blogs.softchoice.com/itgrok/death-desk-job/>

Soon, W. 2015. *Virtual Leadership (A Cornell Study – Part 3)* [blog]. Vorkspace Inc. [accessed 03 January 2017]. Available from: <http://vorkspace.com/blog/index.php/virtual-leadership-a-cornell-study-part-3/>

Sravani 2016. *Virtual Teams: Meaning, Types, Advantages & Disadvantages*. [blog]. WiseStep [accessed 18 December 2016]. Available from: <http://content.wisestep.com/virtual-teams-meaning-types-advantages-disadvantages/>

WebFinance Inc. 2017. *The Definitions of psychological contract* [blog]. BusinessDictionary [accessed 25 December 2016]. Available from: <http://www.businessdictionary.com/definition/psychological-contract.html>

APPENDIX 1

Appendix 1 Virtual teams questionnaire

Hey there! As you know I am currently working on my thesis and I'd really appreciate if you could fill out this questionnaire to help me do my research. The survey is anonymous (there are no questions about your gender or country of origin; only age range), there are 18 questions (both multiple choice and open-ended). The most important questions are open-ended ones. Please take your time to really think about it and give an honest and detailed response. It is extremely important for the outcome of my research.

Thank you!

1. Age
 - 18-25
 - 26-30
 - 31-40
 - 41-50
2. Current employment by BT
 - Full-time
 - Part-time
 - Project Based
 - Other, specify
3. Current employment in general
 - Employed solely by BT
 - Full-time employment by another company besides BT
 - Part-time employment by another company besides BT
 - Project based work in another company(s) besides BT
 - Other, specify
4. If employed by other companies, do you work remotely or in the office?
 - 100% remotely
 - In the office
 - Can choose where to work from
5. Have you ever worked in the traditional company (in the office)?
 - Yes
 - No
6. How long have you been working remotely (in general)?
 - 1-6 months

- 6-12 months
- 1-2 years
- 2-5 years
- More than 5 years

7. Why did you start working remotely?

8. What are the pros and cons of being a virtual employee (for you personally)?

9. I am more productive when working from home

Scale assessment from 1 to 5 (1 = strongly disagree, 3 = neither agree nor disagree, 5 = strongly agree)

10. I am happier and more satisfied with my job when I work from home

Scale assessment from 1 to 5 (1 = strongly disagree, 3 = neither agree nor disagree, 5 = strongly agree)

11. I feel less stressed (less pressure) when I work from home

Scale assessment from 1 to 5 (1 = strongly disagree, 3 = neither agree nor disagree, 5 = strongly agree)

12. What are the biggest advantages and challenges of Virtual Teams in general (from your point of view)?

13. Virtual teams vs Traditional teams in terms of efficiency and productivity

- VT are more productive and efficient than TT
- VT are less productive and efficient than TT
- VT and TT are equally productive and efficient

14. Identify current challenges and problems at BT, which are caused by being a 100% remote company (communication gaps, technological issues, cultural & time zone boundaries, management and delegation issues, etc.)

15. How would you improve BT's processes to increase team's efficiency and productivity?

16. What kind of technological tools BT could potentially use to improve processes and to overcome current challenges?

17. Elaborate on the importance of team building, trust, motivation in VT. Do you think BT should address these issues? If yes, what could be improved and how would you do it?

18. What do you think about the future of VT? Is it just a trend that will pass or the number of VT will only grow over the years? Can it replace traditional teams?